

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
HEALTH AND RECOVERY SERVICES ADMINISTRATION  
Olympia, Washington**

**To:** Family Practice Physicians  
Managed Care Organizations

**Memorandum No:** 06-42  
**Issued:** June 30, 2006

**From:** Douglas Porter, Assistant Secretary  
Health and Recovery Services  
Administration (HRSA)

**For information contact**  
800.562.3022 or go to:  
<http://maa.dshs.wa.gov/contact/prucontact.asp>

**Subject: Family Practice Physicians In Rural Counties: Targeted Vendor Rate Increase for Fee-for-Service Maternity Deliveries**

**Effective for dates of service July 1, 2006 – June 30, 2007**, the Health and Recovery Services Administration (HRSA) will implement a targeted vendor rate increase for Family Practice physicians in rural counties who perform fee-for-service maternity deliveries.

### **Delivery Add-on Payment**

Effective for dates of service on and after July 1, 2006, HRSA will increase the maternity delivery add-on payment to **\$410**.

Delivery add-on payments are limited to those providers detailed below, who bill HRSA directly for fee-for-service deliveries. Effective January 1, 2006, premium payments to managed care plans included funding for the maternity delivery add-on payment. Providers must contact the managed care plans they contract with regarding the maternity delivery add-on payment.

HRSA will **not** pay assistant surgeons or co-surgeons the delivery add-on payment. The add-on payment to family practice physicians in rural counties is limited to one per client, per pregnancy.

Providers must use **modifier TN** to bill for the add-on payment for fee-for-service deliveries in rural counties.

**Modifier TN: Rural/Out-of-Service Area**

## Which Washington Counties Are Not Considered Rural?

Revised Code of Washington (RCW) 43.160.030 defines a county with a population density of fewer than 100 persons per square mile as rural. Using population-per-square-mile data from the Office of Financial Management (OFM), **the following Washington counties *do not* meet the definition of a rural county:**

- Clark;
- Island;
- King;
- Kitsap;
- Pierce;
- Snohomish;
- Spokane; and
- Thurston.

**Note:** Family practice physicians practicing in a county other than one of those listed above are eligible to bill HRSA for the delivery add-on payment.

## How do I bill HRSA for delivery add-ons?

Family practice physicians must use the appropriate **modifier(s)** with the appropriate delivery procedure code used for the actual delivery code (e.g., 59400 TN) when billing.

### Normal Delivery plus Rural/Out of Service Area (modifier TN)

- Bill **using only *ONE* line of service** (e.g., 59400 TN) to receive payment for BOTH the delivery itself and the rural physician delivery add-on component.

### High-Risk Delivery (modifier TG) plus Rural/Out of Service Area (modifier TN)

- Bill **using only *ONE* line of service** (e.g., 59400 TG TN) to receive payment for the high-risk add-on component, the rural physician add-on component, ***and*** payment for the delivery itself.

## Place of Service

**Reminder: Effective July 1, 2006,** all claims submitted to HRSA must include the appropriate Medicare **two-digit place of service code**. Claims with a single-digit place of service code will be denied.

## National Correct Coding Initiative

HRSA continues to implement the National Correct Coding Initiative (NCCI) policy. The Centers for Medicare and Medicaid Services (CMS) created this policy to promote national correct coding methods. NCCI assists HRSA to control improper coding that may lead to inappropriate payment. HRSA bases coding policies on:

- The American Medical Association's (AMA) Current Procedural Terminology (CPT®) manual;
- National and local policies and edits;
- Coding guidelines developed by national professional societies;
- The analysis and review of standard medical and surgical practices; and
- Review of current coding practices.

HRSA may perform a post-pay review on any claim to ensure compliance with NCCI. Visit the NCCI on the web at <http://www.cms.hhs.gov/physicians/cciedits>.

## How do I conduct business electronically with HRSA?

You may conduct business electronically with HRSA by accessing the WAMedWeb at <http://wamedweb.acs-inc.com>.

## How can I get HRSA's provider documents?

To obtain HRSA's provider numbered memoranda and billing instructions, go to HRSA's website at <http://maa.dshs.wa.gov> (click on the **Billing Instructions/Numbered Memoranda** or **Provider Publications/Fee Schedules** link).

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